

**Agenda**  
**Town of Skowhegan**  
**Budget & Finance Committee Meeting**  
**Wednesday, May 5, 2021**  
**5:30 P.M.**  
**Municipal Building - Council Room**

**\*\*Public wishing to see this meeting may do so from the  
Town of Skowhegan Facebook page\*\***

**\*\*Any comments regarding agenda items may be submitted to the Town Manager by email  
(calmand@skowhegan.org) up until 5:00 p.m. the day of the meeting\*\***

**Budget & Finance Committee:**

Christian Savage, Chairman  
David James, Vice Chairman  
Patrick Dore, Secretary  
Ida Earle  
John Grohs  
Gene Rouse  
Rebekah Shankar  
Judi York

**Town Manager:**

Christine Almand

**Finance Director:**

Trisha Austin

**Call Meeting to order.**

**Regular Agenda:**

1. Discussion and decision regarding debt retirement.
2. Discussion and decision regarding surplus.
3. Other Business.

**Adjourn Meeting.**

**TOWN OF SKOWHEGAN OPERATING BUDGET**

	2019 Budget	2020 Budget	2021 Budget	2021 Expenses YTD (3/24/2021)	2022 Initial Department Requests	2022 Manager Approved	2022 Budget Committee	2022 Selectmen
Dept/Div: 50-01 Capital Expenditures / Debt Retirement								
Long Term Debt								
55-10 Combined Sewer Overflow P	264,795.00	262,062.00	259,330.00	259,329.60	256,598.00	256,598.00		256,598.00
55-15 TAN	20,000.00	20,000.00	20,000.00	0.00	20,000.00	20,000.00		20,000.00
55-25 Combined Sewer Overflow II	404,818.00	398,984.00	393,149.00	393,148.25	387,314.00	387,314.00		387,314.00
55-40 Highway Obligation Loan	121,619.00	0.00	0.00	0.00	0.00	0.00		0.00
55-45 Highway Loader	23,275.00	0.00	0.00	0.00	0.00	0.00		0.00
55-50 Highway Grader	20,737.00	20,737.00	20,737.00	20,736.44	20,737.00	20,737.00		20,737.00
55-55 Highway Tandem Axle Truck	28,564.00	28,564.00	0.00	0.00	0.00	0.00		0.00
55-60 Combine Sewer Overflow III	762,910.00	753,929.00	744,948.00	744,947.28	735,966.00	735,966.00		735,966.00
55-65 Highway Sidewalk Plow	34,414.00	34,414.00	0.00	0.00	0.00	0.00		0.00
55-70 Highway Western Star	31,141.00	31,141.00	31,141.00	31,140.28	31,141.00	31,141.00		31,141.00
55-75 Highway Street Sweeper	38,891.00	38,891.00	38,891.00	38,890.28	38,891.00	38,891.00		38,891.00
55-80 Energy Performance	146,717.00	146,717.00	175,328.00	131,259.42	173,495.00	173,495.00		173,495.00
55-81 Front End Loader			56,115.00	56,114.85	56,115.00	56,115.00		56,115.00
55-82 Public Safety Building					139,956.00	139,956.00		139,956.00
Long Term Debt	1,681,132.00	1,735,439.00	1,739,639.00	1,675,566.40	1,860,213.00	1,860,213.00	0.00	1,860,213.00
Debt Retirement	1,681,132.00	1,735,439.00	1,739,639.00	1,675,566.40	1,860,213.00	1,860,213.00	0.00	1,860,213.00

# Surplus

## History of Usage:

FY2008	\$500,000.00	
FY2009	\$700,000.00	
FY2010	\$800,000.00	
FY2011	\$700,000.00	
FY2012	\$400,000.00	
FY2013	\$756,864.25	
FY2014	\$1,000,000.00	
FY2015	\$1,000,000.00	
FY2016	\$1,000,000.00	
FY2017	\$750,000.00	
FY2018	\$750,000.00	\$475,000 to reduce tax commitment; \$150,000 for PW Roads & Sidewalks; \$100,000 for Public Safety Building; \$25,000 for P&R Ballfield Compound
FY2019	\$1,418,000.00	\$1,000,000 to reduce tax commitment; \$300,000 for P&R Ballfield Compound; \$100,000 for PW Roads & Sidewalks; \$18,000 for Police Department
FY2020	\$1,167,071.00	\$511,071 to reduce tax commitment; \$500,000 for Public Safety Building; \$75,000 for PW Roads & Sidewalks (Bridges); \$57,000 for Police Department; \$24,000 for P&R Ballfield Compound
FY2021	\$800,000.00	\$300,000 to reduce tax commitment; \$500,000 for Public Safety Building

Surplus (Audited Fund Balance)	\$	4,245,400.00
Recommended Surplus (10% of FY2021 Budgets*)	\$	2,402,764.46
Available Surplus	\$	1,842,635.54
* FY2021 Town, School, & County Budgets	\$	24,027,644.62

Town Manager's FY2022 Recommendation:

\$	600,000.00	to reduce tax commitment
\$	800,000.00	for P&R Ballfield Compound
\$	<u>1,400,000.00</u>	

Selectmen's FY2022 Recommendation:

\$	700,000.00	to reduce tax commitment
\$	700,000.00	for P&R Ballfield Compound
\$	<u>1,400,000.00</u>	

This will leave \$442,635.54 more in surplus than the recommended level, which is \$10,308.94 more than was left last year.

## Revenue Sharing

	Amount	Increase/ (Decrease)
FY08 Revenue Sharing	\$ 1,054,916.33	
FY09 Revenue Sharing	\$ 977,641.19	\$ (77,275.14)
FY10 Revenue Sharing	\$ 840,340.39	\$ (137,300.80)
FY11 Revenue Sharing	\$ 775,602.63	\$ (64,737.76)
FY12 Revenue Sharing	\$ 722,076.76	\$ (53,525.87)
FY13 Revenue Sharing	\$ 659,291.42	\$ (62,785.34)
FY14 Revenue Sharing	\$ 417,392.42	\$ (241,899.00)
FY15 Revenue Sharing	\$ 436,569.85	\$ 19,177.43
FY16 Revenue Sharing	\$ 436,449.38	\$ (120.47)
FY17 Revenue Sharing	\$ 404,074.57	\$ (32,374.81)
FY18 Revenue Sharing	\$ 439,368.23	\$ 35,293.66
FY19 Revenue Sharing	\$ 482,501.23	\$ 43,133.00
FY20 Revenue Sharing	\$ 789,040.06	\$ 306,538.83
FY21 Projected Revenue Sharing	\$ 683,242.81	\$ (105,797.25)
FY22 Projected Revenue Sharing*	\$ 814,568.02	\$ 131,325.21

*\* Maine State Treasurer projection published 3/26/21.*

**\*IMPORTANT** Revenue sharing projections are based upon the most recent Revenue Forecast available at the time of publication. The State's Revenue Forecasting Committee may reconvene at any time and issue a revised forecast. Revenue sharing receipts to municipalities almost certainly will differ from projections as distributions are based upon actual tax revenue received and not on projected revenues.

**\*Treasurer's Commentary (3/26/21)** Effective 7/1/20, revenue sharing reached a recent high of 3.75% not reflected below. Any FY 2022 projections are based on revenue forecasts and assume a 5% aggregate that has not recently been implemented. Data should not be considered a promise of payment. Final payments cannot be calculated with certainty until a new biennial budget is enacted and effective.

## Budget Comparison

	FY2021	FY2022	Increase/ (Reduction)
Amount to Fund (Expenses)	\$ 12,577,960.50	\$ 13,581,695.00 *	\$ 1,003,734.50
Less Operational Revenues	\$ (2,408,200.00)	\$ (2,496,527.00)	\$ (88,327.00)
	\$ 10,169,760.50	\$ 11,085,168.00	\$ 915,407.50
Less Surplus	\$ (300,000.00)	\$ (300,000.00) **	\$ -
Less State Revenue Sharing	\$ (683,242.81)	\$ (683,242.81) ***	\$ -
	\$ 9,186,517.69	\$ 10,101,925.19	\$ 915,407.50

\* Does not include service agencies that will not be on the warrant due to lack of petitions.

\*\* If we use the same amount of surplus as last year.

\*\*\* Waiting for State Revenue Sharing Projections

## Significant Changes

	FY2021	FY2022	Increase
Wages & Benefits*	\$ 5,503,596.00	\$ 6,143,841.00	\$ 640,245.00
Debt Retirement**	\$ 1,739,639.00	\$ 1,860,213.00	\$ 120,574.00
Capital Reserves	\$ 1,777,432.00	\$ 1,894,224.00	\$ 116,792.00
			\$ 877,611.00

\* Approximately \$87,000 of the increase in wages and benefits is attributed to union negotiations.

\* Also includes wages and benefits for two additional officers paid by the hospital and offset by increased revenues.

\* Includes wages and benefits for two additional Fire Dept. employees and a P&R custodian.

\*\* Maine Bond Bank interest rate for new Public Safety Building Bond came in at 2.0497%. This is a reduction of \$145,223 from what was projected with a 3% rate.

## Tax Levy Limit (LD1)

		Without Surplus
Amount to Fund (Expenses)	\$ 13,581,695.00	\$ 13,581,695.00
Less Operational Revenues	\$ (2,496,527.00)	\$ (2,496,527.00)
Less Surplus	\$ (300,000.00) **	\$ -
Less State Revenue Sharing	\$ (683,242.81) ***	\$ (683,242.81)
Less Homestead	\$ (564,675.00)	\$ (564,675.00)
Levy Limit (LD1)	\$ (9,716,440.00)	\$ (9,716,440.00)
Over/(Under) Levy Limit	\$ (179,189.81)	\$ 120,810.19

**Over Levy Limit**

\*\* If we use the same amount of surplus as last year.

\*\*\* Waiting for State Revenue Sharing Projections. This is last year's figure.

There is \$1,842,635.54 available surplus over the recommended level.

This year's levy limit was increased by \$334,018.